

Mormon Trail CSD/EA

2004-2005
CEO 3
SECTOR 3

AWARD

In the Matter of:

Mormon Trail Community School District
Public Employer

and

Mormon Trail Educational Association
Public Employee Organization

Micheal L. Thompson

Arbitrator

Appearances:

For the Employer:

Robert McCurdy, Superintendent and Chief Negotiator

For the Public Employee Organization:

Jim Crotty, ISEA UniServe Director
Don Richardson, President Of MTEA
Betty Fuller, ISEA School Budget Specialist
Dana Holm, MTEA Chief Negotiator

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STATEMENT OF JURISDICTION

The matter proceeds to an arbitration hearing pursuant to the statutory provisions established in the Public Employment Relations Act, Chapter 20, code of Iowa. The above named arbitrator was selected from a list furnished to the parties by the Public Employment Relations Board.

An interest arbitration hearing was held on May 18, 2005 at 4:00 am at Humeston, Iowa. The hearing was electronically recorded. At the hearing the parties (Mormon Trail Community School District hereinafter Employer and Mormon Trail Educational Association hereinafter Association) were given the full opportunity to introduce evidence, facts, and arguments in support of their respective positions. Upon the basis of the evidence, facts, and arguments presented, the following award was made.

STATEMENT OF THE ISSUES and POSITIONS OF THE PARTIES

For the District:

Article V Hours of work

Retain the current contract language with commitment that all teachers will meet professional responsibilities on those rare times that require additional time.

XIV Wages and Salaries

A. Base salary for schedule A at \$24,500

Base salary for schedule B (supplemental) at \$23,000

B. The district will fund those additional Professional Development Days ...that the State of Iowa provides dollars to support. Those funds will be divided between instructional staff to cover salary and fixed charges at a date when full details are in place.

XVI Duration

This is a local and a mutual issue that is not a requirement for an arbitrator to make a ruling.

For the Association:

Article V Hours of Work

Current contract

Article XIV Wages and Salary

Schedule A base raised to \$24,750 with teacher adding a year of experience on his or her base.

Schedule B base raised to \$23,250

Add new Section I

Any additional days above the 191 contract days shall be paid per diem.

CRITERIA APPLIED IN MAKING AWARD

The Iowa Public Employment Relations Act contains criteria that are to be used by an arbitrator in judging the reasonableness of the parties' collective bargaining proposals. The Act establishes the criteria that are to be used by interest arbitrators in formulating their awards. Section 22.9 of the Act provides, in relevant part:

The panel of arbitrators shall consider, in addition to any other relevant factors, the following factors:

- a. Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.
- b. Comparison of wages, hours, and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved.
- c. The interests and welfare of the public, the ability of the public employer to finance economic adjustments and the effects of such adjustments on the normal standard of service.
- d. The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

With the criteria mandated for arbitrators firmly in mind and based upon the entire record developed at the hearing, the award contained in this report is formulated

Background

Mormon Trail Community School District is located in the south central part of the state and it is a rural area that includes numerous small towns and farming populations. The parties have engaged in collective bargaining since 1975. While the bargaining relationship has been relatively free of acrimony, impasse procedures have been utilized. The current contract is for the year that begins July 1, 2005, and the parties have been unable to resolve the preceding issues. The District and Association have spent considerable time in bargaining and negotiations, including the intervention of a mediator to voluntarily resolve the issues. This effort was unsuccessful and the impasse proceeded to hearing. The parties have voluntarily agreed to waive any statutory time limitations (which was confirmed by the arbitrator at hearing).

The District and Association presented evidence and each asserted their respective positions. The impasse appears to have generated intense feelings for both groups. The subscribed arbitrator has reviewed and considered, at length, the arguments, records, and evidence presented and has carefully considered each point raised by the District and Association.

This dispute centers around a number of issues – wages and hours of work. While they are separate issues, each impact upon the monetary framework of the District. As part of the arbitration, the economic issues were paramount, and they have created some acrimony. During the hearing, each party was given ample time to present evidence and testimony regarding their respective position. At the end of the session each party elected to present a closing statement.

Given the history of negotiations, the parties have experience with comparability. The District and the Association used different comparability groupings. The Association presented a comparability grouping that was extensive including school districts within four adjacent counties in south central Iowa – Clarke, Decatur, Lucas, and Wayne. The Association only used those districts certified to bargain under Iowa code. These districts include the following: Mormon Trail, Chariton, Clarke, Lamoni, Russell, Seymour, and Wayne.

The District presented a different comparability grouping – the Blue Grass Conference that included the following schools – Mormon Trail, Lamoni, Melcher-Dallas, Moulton-Udell, Russell, Seymour, and Twin Cedars. They also made comparisons with other small school districts throughout the state – Bedford, Mt Ayr, Stanton, Corning, East Union, Diagonal, Red Oak, Lenox, and Lineville. Not all of these districts are certified to bargain. The Association argued that the districts certified to bargain in the four county area were most like Mormon Trail.

Among the strategic factors for a neutral to consider in making an award is the comparability group. The weight given by the arbitrator is a function of several factors, which include, but are not limited to: geographical proximity, size of population, demographic characteristics, and other relevant financial data. Therefore, it is not necessary to adopt in its entirety, either party's group as most appropriate. However, appropriate weight has been given to each grouping. Before noting the comparability group, it should be noted that the Association spent considerable time detailing the reasons for using its comparability group while the District did not. This was not lost on the Arbitrator, and it reached the level to convince the arbitrator that the Association's

grouping was more appropriate. However, some of the Districts overlap each comparability group, and the Arbitrator will consider the common districts.

Another strategic factor to consider is bargaining history. The Association detailed the history for the last five years and detailed how the contract had reached the current status. The District also reflected upon the history and noted the concerns about the survival of the district. Both parties identified strategic points, but in the end the Association articulated its points more persuasively.

The first issue is wages. The District seeks to maintain the efficiency of its operations and as part of that efficiency, it argues for a wage increase on the base of \$400 for Schedule A from \$24,100 to \$24,500. The District does not assert there is an inability to pay, but it does note that it has a relative inability to pay. The District also argues for an increase on Schedule B of \$400 from \$22,600 to \$23,000. Again the arguments for this amount parallels the arguments for Schedule A. Regarding the relative inability to pay, District notes that the new money of 1% will not pay the costs of the proposed raise by either group. Moreover, the District notes that its general fund revenues have decreased while expenses have increased. The net result is that the carryover balance has decreased. Additional time was spent by the District articulating why budget cuts were necessary including Financial Analysis Recommendations. While this document suggests a difficult future, it devotes much of its vision for long term recommendations. It also notes that funding decreases will preclude providing for staff salary and benefit maintenance. Given this framework, the District asserts that its package is more appropriate given the settlements.

The Association argues that the issue is not one of financial difficulties. The

Association asserts that the District has deliberately drawn down the fund balance which was unrefuted by the District. The Association also notes that the difference in cost between the packages is \$9,201, which will be readily paid by the turnover savings. In addition they argue that the District compares unfavorably with other certified districts within the four county region—it has the lowest average salary in the group. The Association also argues that the 4.51% settlement is more reasonable when compared with other settlements throughout the state regardless of the regular program increase. The Association also counters that this is not an inability to pay issue – the District can levy taxes and use funds in a more creative method.

In reaching a decision on this issue, the arbitrator finds that the Association and District has distinctly different views related to the funding of pay raise. In this instance the Association's articulation of the facts was stronger, as the District did not rebut the Association's assertions re: carryover savings, ability to levy, comparability, school budget review committee, spending authority, and the unspent balance. It is obvious that the District has limited or relative ability to pay, but it certainly does not reach a level of inability. The District has concerns about its survival as documented in its Budget Analysis Report, but it did not demonstrate how the pay differential between the Association proposal and its proposal will contribute to the erosion of the financial conditions of the District. The Association presented better evidence. Thus it is more reasonable to award the Association proposal which sets the base at \$24,750 for Schedule A and a base for Schedule B of \$23,250.

The next issue is hours of work. In this instance the District did not present an argument nor did it include materials in evidence presented. The Association called for

maintaining the current contract. The Arbitrator awards the current contract on the issue of hours of work.

The last issue is associated with the state mandated professional development days. The Association asserts that any additional days over the 191 contract days will be paid per diem. The District asserts that it will fund those additional days that the state provides dollars to support. Funds will be divided between staff to cover salary and fixed costs at a date when full details are in place. Each of these proposals seeks to address pending legislation before the Iowa legislature. Each reflects the ambiguity that schools and their teachers are wrestling with related to the pending legislation. The Association argues that their proposal mirrors the intent of the legislature, and that the District will not be hurt by their proposal. The District counters (in its closing statement) by indicating that they do not want to be locked into a contract with per diem payment if that is not passed by the legislature. The Association rebutted this and noted that again the District did not present evidence regarding this position. Again the Association was persuasive in its argument, and the Arbitrator awards that any additional days over the 191 contract days will be paid per diem.

AWARD

Article V Hours of Work

Current Contract (Association)

Article XIV Wages & Salaries

Base \$24,750 pm Schedule A and Base \$23,250 on
Schedule B (Association)

Professional Development Days

Any additional days over 191 contract days will be
Paid per diem. (Association)

Dated and signed by:

Micheal L. Thompson, Arbitrator

Jan 1, 2005

[Signature]

Certificate of Service

I certify that on the 1st day of June, 2005 I served the foregoing Arbitration Award upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Jim Crotty, Uniserv 8 Director
ISEA
777 3rd Street
Des Moines, Iowa 50309

Robert McCurdy, Superintendent
Mormon Trail Community School
403 S. Front, Box 156
Humeston, Iowa 50123

I further certify that on the 1st day of June, 2005, I will submit this report for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12th Street, Suite 1B, Des Moines, Iowa 50319.

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